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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

10 October 1952

STAFF MEMORANDUM NO. 278

SUBJECT: Developing Crisis in Franco-US Relations and its
Potential Impact on French Ratification of the EDC.

1. Franco-US relations, which have deteriorated over the last few months, appear to be approaching another "crisis" which may strongly affect Franco-US cooperation on European security matters and jeopardize early French ratification of the EDC. The French Government and strong elements in the French Assembly have never been happy over the EDC proposal, which they regard essentially as a concession to US insistence on German rearmament. Now, with the EDC treaty scheduled to come before the French Assembly, France is also confronted with several other problems -- the Saar, North Africa, and 1953 US aid levels -- which bear directly on France's prospective power position vis-a-vis Germany. The French believe that once they have accepted German rearmament their bargaining power on these issues will decrease. Therefore, the French Government is contending that a high level of US aid and US support on the North African and other critical issues is essential if the French Government is to meet its NATO force commitments and secure Assembly ratification of the EDC. In a sense, France may be insisting on greater US support as the "price" for EDC ratification.

2. US aid to France. There has been a running argument over the past four months on the amount of future US aid to France, especially for off-shore procurement to build up French arms production. The Pinay Government desires as much aid as it can get, both to bolster its program for economic stability and to maintain French continental military strength above that planned for Germany. The French believe the US committed to total dollar aid of \$650 million (plus end-item aid) and claim that their 1953

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budgetary and NATO commitments are based on this amount. However, owing to Congressional cuts in aid appropriations, the US presently contemplates 1953 aid totaling only \$525 million. Further, Franco-US recriminations on this problem are almost inevitable.

3. The North African Problem. The French are absolutely determined to retain control over French North Africa. They regard such control as essential to France's position as a great power, and as a counterbalance to German strength in Europe. Various groups in the Assembly and certain rightist members of the government have bitterly criticized US failure to give whole hearted support to French policies in North Africa. Such US failure, they contend, has encouraged North African nationalist ambitions and thus greatly aggravated French difficulties in dealing with the problem. As a consequence the French Government is virtually demanding US support in the UN and elsewhere for France's North African policies as a quid pro quo for EDC ratification.

4. The Saar Problem. The Saar controversy, a constant danger to French EDC ratification, has again reached a critical stage. Although it was hoped that the recent Schuman-Adenauer talks on the Saar would lead to soft-pedaling the issue during EDC debates, recent exchanges between the two leaders indicate that a fundamental gap between the French and German positions remains. The Germans, believing time on their side, are unwilling to commit themselves to permanent Europeanization of the Saar. The French, who realize they will have lost their favorable bargaining position once the EDC is ratified, insist on a definitive solution now. They will not compromise their economic and political position in the Saar unless Europeanization is considered permanent. Grandval, the French Ambassador to the Saar, has publicly claimed that France could not ratify the EDC unless the Germans accede to a Saar solution even more favorable to the French than that advocated by Schuman. Grandval's views probably are concurred in by a number of political leaders, who are also critical of the reputed failure of the US to live up to its commitments made when the Franco-Saar conventions were created by the Big Four in 1947. Those leaders will continue to seek stronger US backing for French Saar policies vis-a-vis Germany as their price for EDC ratification.

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5. US-UK guarantees on controls over Germany. The French are still not satisfied with the US-UK guarantees to prevent any future withdrawal of a rearmed Germany from EDC. They also seek a firm commitment, tantamount to a treaty, to the effect that no reduction in US and UK forces in Germany will be made as German divisions come into being.

6. It is impossible to predict to what extent the French will insist on US support of their position on the above issues as essential to French EDC ratification or what impact French success or failure in achieving some solution of these problems will have on the actual Assembly vote. However, the Pinay Government, which is under fire on domestic problems, already faces a difficult problem in securing the necessary votes for EDC ratification. In particular, the position of Foreign Minister Schuman, whose views are closest to those of the US on these issues, has become increasingly precarious under opposition attack. Under these circumstances the government apparently feels compelled, because of its vulnerability, to take a strong stand on such issues as US aid, the Saar, and North Africa, and to insist on US support. Unless the French Assembly receives some satisfaction on these issues, there is a strong possibility that it may attach impossible reservations to EDC ratification or otherwise delay the achievement of this major US objective.



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